

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2005

	January-05				December-04				September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	FYTD	FY04	Ended	Ended
													Net	Net	6/30/2004	6/30/2004
															Net	Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
Los Angeles Capital	83,373	2.2%	2.3%	-3.51%	86,394	2.2%	2.3%	10.37%	81,984	2.2%	2.3%	-4.14%	2.09%	N/A	N/A	N/A
Total Structured Growth	83,373	2.2%	2.3%	-3.51%	86,394	2.2%	2.3%	10.37%	81,984	2.2%	2.3%	-4.14%	2.09%	17.58%	-6.28%	-7.85%
<i>Russell 1000 Growth</i>				-3.33%				9.17%				-5.23%	0.02%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																
LSV	91,702	2.4%	2.3%	-1.46%	93,033	2.4%	2.3%	9.01%	89,406	2.4%	2.3%	3.21%	10.87%	30.56%	9.33%	8.36%
<i>Russell 1000 Value</i>				-1.78%				10.38%				1.54%	10.09%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>																
LA Capital	177,464	4.6%	4.5%	-2.63%	182,231	4.7%	4.5%	9.28%	174,651	4.6%	4.5%	-1.68%	4.61%	N/A	N/A	N/A
<i>Russell 1000</i>				-2.52%				9.80%				-1.81%	5.09%	N/A	N/A	N/A
<i>S&P 500 Enhanced Index</i>																
Westridge	172,859	4.5%	4.5%	-2.40%	177,077	4.6%	4.5%	9.47%	169,705	4.5%	4.5%	-1.99%	4.71%	N/A	N/A	N/A
<i>S&P 500</i>				-2.44%				9.23%				-1.87%	4.58%	N/A	N/A	N/A
<i>Index</i>																
State Street	51,966			-2.44%	53,266			9.23%	51,081			-1.88%	4.55%	19.01%	-0.75%	-2.28%
Total Index	51,966	1.3%	1.5%	-2.44%	53,266	1.4%	1.5%	9.23%	51,081	1.3%	1.5%	-1.88%	4.55%	19.01%	-0.75%	-2.28%
<i>S&P 500</i>				-2.44%				9.23%				-1.87%	4.58%	19.11%	-0.70%	-2.21%
TOTAL LARGE CAP DOMESTIC EQUITY	577,364	15.0%	15.0%	-2.49%	592,001	15.2%	15.0%	9.45%	566,826	14.9%	15.0%	-1.42%	5.21%	21.46%	0.15%	-1.39%
<i>S&P 500</i>				-2.44%				9.23%				-1.87%	4.58%	19.11%	-0.70%	-2.21%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	190,905	4.9%	5.0%	-4.48%	199,830	5.1%	5.0%	14.79%	187,008	4.9%	5.0%	-3.60%	5.70%	32.99%	5.51%	N/A
<i>Russell 2000 + 200bp</i>				-4.01%				14.64%				-2.36%	7.45%	35.99%	7.90%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	190,905	4.9%	5.0%	-4.48%	199,830	5.1%	5.0%	14.79%	187,008	4.9%	5.0%	-3.60%	5.70%	32.99%	5.54%	7.29%
<i>Russell 2000</i>				-4.17%				14.09%				-2.86%	6.21%	33.36%	6.24%	6.63%
CONVERTIBLES																
TCW	386,540	10.0%	10.0%	-2.07%	397,368	10.2%	10.0%	8.41%	366,600	9.6%	10.0%	-4.35%	1.55%	17.50%	1.03%	3.90%
<i>Merrill Lynch All Convertibles</i>				-2.29%				5.37%				-1.05%	1.87%	14.16%	4.89%	5.75%
INTERNATIONAL EQUITY																
<i>Large Cap - Active</i>																
Capital Guardian	155,709	4.0%	4.0%	-0.67%	156,972	4.0%	4.0%	10.01%	296,674	7.8%	8.0%	-1.77%	7.35%	25.36%	-0.39%	0.54%
LSV	158,996	4.1%	4.0%	0.58%	158,007	4.1%	4.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	1	0.0%	0.0%	N/A	(45)	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Large Cap - Active	314,705	8.2%	8.0%	-0.04%	314,934	8.1%	8.0%	10.59%	296,674	7.8%	8.0%	-1.77%	8.59%	25.36%	-0.39%	0.54%
<i>MSCI EAFE - 50% Hedged</i>				-0.52%				11.11%				-0.72%	9.74%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>																
Lazard	44,486	1.2%	1.0%	0.50%	44,279	1.1%	1.0%	16.09%	39,858	1.0%	1.0%	0.29%	17.01%	43.30%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				2.20%				16.82%				-0.82%	18.41%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>																
Vanguard	43,510	1.1%	1.0%	0.92%	43,115	1.1%	1.0%	19.12%	37,867	1.0%	1.0%	0.49%	20.81%	44.68%	N/A	N/A
<i>SSB BROAD MARKET INDEX < \$2BN</i>				2.20%				16.82%				-0.82%	18.41%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	402,701	10.4%	10.0%	0.12%	402,328	10.4%	10.0%	12.57%	374,399	9.8%	10.0%	-1.31%	11.23%	29.16%	1.02%	1.39%
<i>MSCI EAFE - 50% Hedged</i>				-0.52%				11.11%				-0.72%	9.74%	26.98%	-1.27%	-2.14%
DOMESTIC FIXED INCOME																
<i>Core Bond</i>																
Western Asset	682,711	17.7%	16.7%	0.25%	680,741	17.5%	16.7%	1.34%	687,449	18.1%	16.7%	3.52%	5.17%	2.42%	7.77%	8.10%
<i>Lehman Aggregate</i>				0.63%				0.96%				3.20%	4.84%	0.32%	6.35%	6.95%
<i>Index</i>																
Bank of ND	860,158	22.3%	25.0%	0.20%	858,329	22.1%	25.0%	0.40%	865,114	22.8%	25.0%	2.54%	3.15%	0.07%	7.10%	7.25%
<i>Lehman Intermediate Gov/Credit (1)</i>				0.19%				0.44%				2.71%	3.36%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>																
Wells Capital (formerly Strong)	386,562	10.0%	8.3%	1.66%	382,889	9.9%	8.3%	2.30%	385,414	10.1%	8.3%	4.51%	8.69%	1.18%	N/A	N/A
<i>Lehman US Credit BAA</i>				0.90%				1.69%				4.76%	7.48%	1.96%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	1,929,432	50.0%	50.0%	0.51%	1,921,958	49.5%	50.0%	1.11%	1,937,978	51.0%	50.0%	3.27%	4.94%	0.79%	7.00%	7.45%
<i>Lehman Gov/Credit</i>				0.69%				0.80%				3.56%	5.11%	-0.72%	6.73%	7.10%
CASH EQUIVALENTS																
<i>Bank of ND</i>																
90 Day T-Bill	369,820	9.6%	10.0%	0.22%	369,250	9.5%	10.0%	0.53%	368,196	9.7%	10.0%	0.44%	1.20%	1.20%	1.72%	3.39%
				0.17%				0.48%				0.37%	1.02%	0.98%	1.71%	3.30%
TOTAL BONDING FUND	3,856,761	100.0%	100.0%	-0.54%	3,882,734	100.0%	100.0%	4.57%	3,801,006	100.0%	100.0%	0.64%	4.68%	9.88%	4.70%	5.16%
<i>POLICY TARGET BENCHMARK</i>				-0.49%				4.14%				1.22%	4.90%	8.00%	4.60%	4.72%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.